

FUTURE TRENDS IN HUMAN RESOURCES

INTRODUCTION

A group of California government human resource professionals and executives gathered to ponder future trends in the field of human resources. The group included three former Directors of the Department of Personnel Administration, a current and a former Executive Officer of the California State Personnel Board, as well as the heads of two state agencies. The Executive Director, Deputy Executive Director, and management staff of Cooperative Personnel Services, who sponsored the round table discussion, also participated in the proceedings. The essence of that discussion, which represents the personal opinions of those present based on a collective experience of over three hundred years in the field of human resources, is documented in this paper.

To further test the validity of these opinions, ten labor unions were surveyed to determine if there was general agreement from labor on the trend. Five responses were received from the survey and have been incorporated into this paper. The paper notes where labor disagrees with the trend identified by the human resource professionals and executives.

It is hoped that this paper can be used as a planning tool by all involved in human resources including management, labor, and human resource professionals in preparing to meet the human resource needs in the new millennium.

TREND: THE LABOR SUPPLY WILL INCREASINGLY TIGHTEN, PARTICULARLY IN TECHNICAL AREAS

The proportion of technical/professional employees in the work force is increasing as work becomes more technical. At the same time, workers in non-technical occupations are increasingly subject to downsizing as a result of technological advances. Retiring “baby boomers” will intensify the unavailability of skilled workers. Consequently, prospective technical/professional employees will be able to be selective in their job searches, more so than has been the case in recent years.

For many public employers, non-competitive salaries and opposition to outsourcing will further exacerbate the problem of obtaining the skilled resources needed to get the job done. The public sector’s ability to recruit also will continue to be hampered by its poor public image.

Consequences For Human Resource Professionals:

- Recruitment efforts for qualified applicants will need to be expanded to include countries outside the United States.

Labor Response	
Strongly Agree	0
Agree	0
Disagree	4
Strongly Disagree	0

- It will become even more difficult to recruit technically skilled workers. This will be particularly true in the public sector where salaries in high-demand occupations typically do not keep pace with the market.

Labor Response	
Strongly Agree	2
Agree	3
Disagree	0
Strongly Disagree	0

- It will be necessary to experiment with new pay practices at the point of hire, such as recruitment bonuses and payment of relocation expenses -- including the cost of housing sales and/or purchases, etc.

Labor Response	
Strongly Agree	1
Agree	3
Disagree	1
Strongly Disagree	0

- Employers will need to make greater use of temporary staff, including retirees, for project work because of the inability to fully staff core employee populations.

Labor Response	
Strongly Agree	0
Agree	3
Disagree	1
Strongly Disagree	1

- It may be necessary to explore public/private labor resource pools.

Labor Response	
Strongly Agree	0
Agree	3
Disagree	1
Strongly Disagree	1

- Succession planning will become more critical as baby boomers leave the workforce.

Labor Response	
Strongly Agree	0
Agree	4
Disagree	1
Strongly Disagree	0

TREND: RESPONSIBILITY FOR EDUCATION AND TRAINING OF WORKERS WILL CONTINUE TO SHIFT FROM SCHOOLS TO EMPLOYERS

Lower standards of academic achievement in schools will continue to produce graduates who are ill-prepared for work. At the same time, the nature of work in general will become even more technical, and workers with a higher order of skills will be in greater demand. Conversely, there will be proportionately fewer and fewer job openings available in non-technical occupations.

Consequences For Human Resource Professionals:

- It will be more often left to employers to train new hires in technical skills, especially where recruitment of trained workers is less successful. In non-technical areas, educating employees in basic skills such as reading, writing, and mathematics will also be required of employers.

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

TREND: THE WORKPLACE ETHOS IS CHANGING

Increasingly, there is a bilateral lack of loyalty. Technical/professional employees are following the money, aided by a tightening labor market. Employers are following the “bottom line” with downsizing not uncommon. A more transient labor force will result, leading to a decrease in the number of workers who spend an entire career with one organization. Concomitantly, long-term, experienced non-technical employees will become less valued because of their higher cost to the organization. Younger, less experienced non-technical workers are cheaper. The workforce will also become even more diverse than it is today, following demographic patterns in the country as a whole. The result will be diverse value systems and languages.

Consequences For Human Resource Professionals:

- It will be necessary to anticipate workforce needs, then proactively address those needs in light of changes in the labor force.
- Cultural and language differences will need to be addressed as the workforce becomes increasingly diverse.
- Recruitment difficulties will require employers to be more flexible in utilizing workers and in employing such techniques as flexible workweeks and telecommuting.
- Compensation and benefit plans will need to be designed which are attractive to a transient labor force and provide for more portability of benefits.

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

TREND: ORGANIZATION DYNAMICS WILL CHANGE

There will be an increasing emphasis on strategic outcomes. Customer service will continue to be paramount. The demand for organizational flexibility will be greater as job assignments and tasks change rapidly. Flatter organizations with less emphasis on hierarchy will utilize teams of empowered workers to address issues and manage the work. Systems thinking will be emphasized. Consequently, there will be less need for managers and supervisors and more need for coaches and mentors. The definition of “good” supervisors and managers will change.

Consequences For Human Resource Professionals:

- Organizational change must come more easily; flexible organizations must change to meet continually redefined outcome expectations.

Labor Response	
Strongly Agree	1
Agree	3
Disagree	1
Strongly Disagree	0

- “Customers” will need to be defined and “success” measured in terms of service to those customers.

Labor Response	
Strongly Agree	0
Agree	5
Disagree	0
Strongly Disagree	0

- It will be essential that workers have collaborative skills.

Labor Response	
Strongly Agree	0
Agree	5
Disagree	0
Strongly Disagree	0

TREND: BOTH SELECTION SYSTEMS AND SELECTION CRITERIA WILL FOCUS MORE ON “SOFT” SKILLS

There will be increasing interest in measuring applicants’ “soft” skills, constructs such as attitude, ethics, energy, motivation, and interpersonal or “people” skills. Minimum Qualifications will increasingly become Desirable Qualifications. Work samples may be used as a form of measurement.

Consequences For Human Resource Professionals:

- Human resource managers will be challenged to devise valid selection techniques that measure “soft” skills reliably.

Labor Response	
Strongly Agree	1
Agree	3
Disagree	1
Strongly Disagree	

- As new and less well-known selection techniques come into play, employment decisions will be less broadly accepted. As hiring practices are perceived to be less objective, a greater number of employees may seek civil service and/or union protections.

Labor Response	
Strongly Agree	2
Agree	3
Disagree	0
Strongly Disagree	0

TREND: THERE WILL BE INCREASING PRESSURE TO LINK PAY TO PERFORMANCE

There is a widespread belief that seniority-based pay and promotion systems are obsolete, and interest in pay systems which reward employees and/or teams for results will increase. This is an interest not shared by most employee unions.

In the private sector, the “bottom line” is an overarching measure of performance. Even though it may not be directly applicable in some employment settings within an organization, it provides a goal which is largely unifying.

In the public sector, a worker’s success or failure is somewhat more difficult to measure because there is not usually a “bottom line.” Instead, success or failure may be measured in terms of serving some social or political goal, and whether work is “successful” or not may depend upon the social/political views of the evaluator. There has been limited success to date in devising compensation systems linked to such “soft” measures of performance.

Consequences For Human Resource Professionals:

- Effective performance management systems will need to be developed.

Labor Response	
Strongly Agree	1
Agree	1
Disagree	3
Strongly Disagree	0

- There will be a need to devise and experiment with innovative performance based pay strategies.

Labor Response	
Strongly Agree	1
Agree	0
Disagree	4
Strongly Disagree	0

- The cost/benefit focus of new compensation systems will intensify conflict between management and labor.

Labor Response	
Strongly Agree	3
Agree	1
Disagree	1
Strongly Disagree	0

TREND: DISTINCTIONS BETWEEN THE PUBLIC AND PRIVATE SECTORS WILL DIMINISH

The demand for a more responsive public service and more responsive management and leadership will result in demand for a greater proportion of “at will” appointments that occur deeper within organizations. Privatization of some public services will reduce the number of public employees in those functions. At the same time, private employees will enjoy greater protections from termination without cause than ever before.

Key differences between the public and private sector will remain. Namely, the importance of the “bottom line” to the private sector and the importance of political and social goals to the public sector. These differences mean that despite blurred distinctions, private sector models will not always work in the public sector, especially when they are taken out of the “bottom line” context.

Consequences For Human Resource Professionals:

- It will be necessary to work closely with the policy makers in designing appointment systems so that a fair process and a competent public workforce is retained through changes in administration.

Labor Response	
Strongly Agree	2
Agree	2
Disagree	1
Strongly Disagree	0

- Labor/management conflict over these issues will increase as unions see the merit system further eroded.

Labor Response	
Strongly Agree	3
Agree	1
Disagree	1
Strongly Disagree	0

- Experiments with private sector models in the public service will need to allow for differences in goals

Labor Response	
Strongly Agree	3
Agree	1
Disagree	1
Strongly Disagree	0

TREND: THERE WILL BE A NEED TO BUILD A MORE COST EFFECTIVE GOVERNMENT

Funding for public agencies will continue to be tight, and the demand to get more out of government at less cost will continue to build. For human resource professionals, consolidation of functions, the delegation of human resource functions, and the development of one-stop human resource centers will be popular responses to a call for more cost-effective government.

Outsourcing will continue to be pushed by some as the solution to this problem, although in some cases outsourcing itself may be the political goal, without a great deal of regard for the cost consequences. Outsourcing will continue to be opposed by unions who see their economic base threatened. As a result, conflict over “contracting out” will intensify and will promote covert solutions to outsourcing prohibitions.

Consequences For Human Resource Professionals:

- Human resource managers will be challenged to devise more innovative methods of meeting human resource needs that are less restrictive.

Labor Response	
Strongly Agree	1
Agree	1
Disagree	3
Strongly Disagree	0

- Contract monitoring skills will become essential as more and more outsourcing takes place.

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

- Labor/management relations will be strained by “contracting out” issues.

Labor Response	
Strongly Agree	4
Agree	1
Disagree	0
Strongly Disagree	0

- Employees in the public sector will need to have an organizational financial orientation.

Labor Response	
Strongly Agree	1
Agree	1
Disagree	1
Strongly Disagree	0
Did Not Respond	2

TREND: PARTNERSHIPS AND ALLIANCE BETWEEN PUBLIC AND PRIVATE ORGANIZATIONS AND BETWEEN PUBLIC ORGANIZATIONS WILL INCREASE

Public agencies are joining together in alliances such as Joint Powers Agencies to meet service needs that they cannot individually meet. Public and private partnerships are being established to bring the strengths of both sectors together to meet service needs or increase revenues for governments.

Consequences For Human Resource Professionals:

- Human resource managers will be called on to develop employment plans that deal with such issues as private/public employees working in a common organization, public employees on “loan” to private organizations, private employees supervising public employees.

Labor Response	
Strongly Agree	0
Agree	1
Disagree	3
Strongly Disagree	1

- Labor relation issues such as exclusive representation rights for union employees will have to be resolved.

Labor Response	
Strongly Agree	2
Agree	2
Disagree	0
Strongly Disagree	1

TREND: LABOR MANAGEMENT RELATIONS MAY NEED TO BE STRENGTHENED

Individual legal protections increasingly will be challenged by organizational trends that emphasize teamwork and team compensation. The collective bargaining process and employee organizations could potentially become out of touch with the workers, and organized labor may struggle for identity.

Consequences For Human Resource Professionals:

- Management's bargaining representatives will be challenged to engage unions in non-traditional ways that minimize conflict and promote win-win problem solving.

Labor Response	
Strongly Agree	3
Agree	2
Disagree	0
Strongly Disagree	0

- Management and unions must be open to new labor/management relationships that benefit both the organization and its workers.

Labor Response	
Strongly Agree	2
Agree	3
Disagree	0
Strongly Disagree	0

TREND: IT WILL BECOME INCREASINGLY IMPORTANT TO MANAGE THE USE AND ABUSE OF INFORMATION SYSTEMS

As the use of technology increases, computers become a workaday tool available to nearly every worker. Access to databases, the Internet, and a variety of programs will increasingly become both a security issue and an efficiency issue. The widespread availability of personal computers puts an incredible amount of information at the fingertips of employees with the potential for vastly increased effectiveness and efficiency. It also opens the door to the possibility of inappropriate access to information and programs and computer sabotage by disgruntled workers.

Consequences For Human Resource Professionals:

- Trust and access will become significant issues.

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

- Policies will need to be developed governing access and use of computer technology.

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0

- Monitoring systems will be needed that ensure compliance with computer policies, protect organizational resources and maintain the efficiency of the organization while avoiding inappropriate “Big Brother” invasions of privacy.

Labor Response	
Strongly Agree	1
Agree	4
Disagree	0
Strongly Disagree	0